



505 Nicollet Avenue
PO Box 59038
Minneapolis, MN 55459-0038

March 16, 2016

Mr. Dan Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 East 7th Place, Suite 350
St. Paul, MN 55101-2147

VIA E-FILING

RE: Petition of CenterPoint Energy for Approval of a Continued Variance from the Commission's Automatic Adjustment Rules Related to the Recovery of Demand Costs
Docket No. G-008/M-16-_____

Dear Mr. Wolf,

Attached, for the Commission's review and approval, is CenterPoint Energy's Petition for approval of a continued variance from the Commission's Automatic Adjustment Rules related to the recovery of Demand Costs. The variance is requested in order to continue to make adjustments to the calculation of demand cost recovery rates during the gas year designed to reduce the annual over-recovery or under-recovery of demand costs in a gas year related to weather conditions varying from normal.

CenterPoint Energy first implemented this program in the 2000-2001 gas-year as a three year pilot program, approved by the Minnesota Public Utilities Commission ("Commission") in Docket No.G-008/M-00-980. Since the pilot program was successful, CenterPoint Energy requested a permanent variance in Docket No.G-008/M-03-782. In Docket No.G-008/M-03-782, the Commission approved an ongoing variance until the next CenterPoint Energy general rate case. As part of the Settlement Agreement in CenterPoint Energy's 2004 general rate case, Docket No. G-008/GR-04-901, CenterPoint Energy agreed to withdraw its request for a permanent variance. CenterPoint Energy withdrew its permanent variance request due to concerns that there should not be permanent variances; rather a Rule change should be made. In Docket No.G-008/M-05-1196, CenterPoint Energy requested approval to continue the variance for five years. In its Order, dated November 15, 2005, the Commission approved the variance for two years. The Commission has renewed three year variances on December 24, 2007 in Docket No. G-008/M-07-1063, November 5, 2010 in Docket No. G-008/M-10-857, and December 11, 2013 in Docket No. G-008/M-13-728.

With this filing CenterPoint Energy is requesting to continue this program for three more years to further analyze and if need be, refine the procedures. CenterPoint Energy requests Commission approval of this petition pursuant to Minn. R. pt. 7829.3200. The information required under the Rules of Practice and Procedure, Minn. R. pt. 7829.1300 is also included.

If you have any questions or require additional information, please contact me at 612.321.4677 or Kevin.Marquardt@CenterPointEnergy.com.

Sincerely,

/s/

Kevin Marquardt
Regulatory Analyst
Regulatory Services

Enclosures
cc: Service List

AFFIDAVIT OF SERVICE

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

Kevin D. Marquardt, being first duly sworn on oath, deposes and says he served the foregoing document on the attached list of persons by e-filing and depositing a true and correct copy thereof, with postage paid in the United States mail at City of Minneapolis, Minnesota.

/s/ _____
Kevin D. Marquardt, Regulatory Analyst

Subscribed and sworn to before me
This 16th day of March, 2016

/s/ _____
Mary Jo Schuh
Notary Public

My Commission Expires 1/31/20

**STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

Beverly Jones Heydinger
Nancy Lange
Dan Lipschultz
Matthew Schuerger
John Tuma

Chair
Commissioner
Commissioner
Commissioner
Commissioner

MPUC Docket No.: G-008/M-16-____

In the Matter of the Petition of
CenterPoint Energy for Approval of
a Variance from the Automatic Adjustment
Adjustment Rules to the
Recovery of Demand Cost

**PETITION OF CENTERPOINT ENERGY
FOR APPROVAL OF A VARIANCE FROM
THE AUTOMATIC ADJUSTMENT
RULES RELATED TO
THE RECOVERY OF DEMAND COSTS**

**PETITION OF CENTERPOINT ENERGY FOR APPROVAL OF A VARIANCE FROM THE
AUTOMATIC ADJUSTMENT RULES RELATED TO THE RECOVERY OF DEMAND COSTS.**

1. INTRODUCTION

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas (“CenterPoint Energy,” “CNP,” or the “Company”) submits to the Minnesota Public Utilities Commission (the “Commission”) the Petition of CenterPoint Energy for Approval of a Variance from the Automatic Adjustment Rules Related to the Recovery of Demand Costs. Compliance with applicable Minnesota Statutes and Rules are demonstrated in this filing.

2. COMPLIANCE WITH MISCELLANEOUS TARIFF AND PRICE LIST FILINGS

Pursuant to Minnesota Rules Part 7829.1300, CenterPoint Energy provides the following information:

7829.1300 Miscellaneous Tariff and Price List Filings

Subp. 1 ***Summary.***

A miscellaneous tariff filing and price list filing must include, on a separate page, a one-paragraph summary of the filing, sufficient to apprise potentially interested parties of its nature and general content.

A one-paragraph summary is attached to this filing pursuant to Minn. Stat. § 216B.50 and related Minnesota Rules 7825.1600 to 1800.

Subp. 2 ***Service.***

The filing utility shall serve copies of each miscellaneous tariff filing on which commission action is required within 60 days, and each price list filing increasing the price of a competitive service, on the persons on the applicable general service list, on the department, and on the Residential Utilities Division of the Office of the Attorney General. For other filings, the

utility may serve the summary described in subpart 1 on persons on the applicable general service list. The utility shall serve with the filing or the summary a copy of its general service list for the filing.

A copy of this filing has been served on all parties on the enclosed service list.

Subp. 3

Content of filing subject to specific requirements.

In addition to complying with specific requirements imposed by statute or rule, miscellaneous tariff and price filings subject to specific filing rules must contain at least the following information:

- A. **the name, address, and telephone number of the utility, without abbreviation;**

CenterPoint Energy, a division of CenterPoint Energy Resources Corp., a Delaware Corporation
505 Nicollet Mall
Minneapolis, MN 55402
(612) 321-4976

- B. **the name, address, and telephone number of the attorney for the utility, if the utility is using an attorney;**

Brenda Bjorklund
Associate General Counsel
CenterPoint Energy
505 Nicollet Mall
Minneapolis, MN 55402
(612) 321-4976
Brenda.Bjorklund@CenterPointEnergy.com

- C. **the date of the filing and the date the proposed rate or service change will go into effect;**

Filing Date:
March 16th, 2016

Effective Date:
The Date of the Commission Order approving the variance.

- D. **the statute that the utility believes controls the time frame for processing the filing; and**

Minnesota Statutes and related rules do not provide an explicit time frame for action by the Commission. Under Minn. R. 7829.0100, subp. 11, the filing is properly considered a miscellaneous tariff filing, since no determination of general revenue requirement is necessary. Under Minn. Rule 7829.1400, initial comments are due within 30 days of filing, with reply comments due 10 days thereafter.

- E. **the signature and title of the utility employee responsible for the**

filing.

Kevin Marquardt
Regulatory Analyst, Regulatory Services
CenterPoint Energy
505 Nicollet Mall
Minneapolis, MN 55402
(612) 321-4677
Kevin.Marquardt@CenterPointEnergy.com

- Subp. 4 **Content of filing not subject to specific filing rules. In addition to complying with any specific requirements imposed by statute, miscellaneous tariff and price list filings not subject to specific filing rules must contain at least the following information:**

Not Applicable because Subp. 3 requirements are met as described above.

3. OFFICIAL SERVICE LIST REQUEST

Pursuant to Minnesota Rule 7829.0700, Subpart 1, the Company requests the following persons be placed on the Commission's official service list for this proceeding:

7829.0700 Official Service List

Subp. 1 *Content.*

The official service list for each proceeding consists of the names of the parties and the names of participants who have filed a written request for inclusion on the service list with the executive secretary.

Kevin Marquardt
Regulatory Analyst, Regulatory Services
CenterPoint Energy
505 Nicollet Mall
(612) 321-4677
Kevin.Marquardt@CenterPointEnergy.com

Peggy Sorum
Manager of Rates, Regulatory Services
CenterPoint Energy
505 Nicollet Mall
Minneapolis, MN 55402
(612) 321-4625
Peggy.Sorum@CenterPointEnergy.com

Brenda Bjorklund
Associate General Counsel, Corporate Legal
CenterPoint Energy
505 Nicollet Mall
Minneapolis, MN 55402
(612) 321-4976
Brenda.Bjorklund@CenterPointEnergy.com

Any information requests in this proceeding should be submitted to Mr. Marquardt.

4. BACKGROUND

On July 26, 2000, CenterPoint Energy filed a request for a variance from the Commission's Automatic Adjustment Rules related to the recovery of Demand Costs in order to implement a three-year pilot program. The intent of the pilot program was to better match the payment of demand costs to pipelines and other providers with demand cost recovery included in firm billing rates. The Commission approved CenterPoint Energy's request in Docket No. G-008/M-00-980, with a service date of October 27, 2000. For all three years of the pilot program, the pilot program was successful in providing a better match between demand costs incurred and demand costs recovered. During the pilot program, the most that demand costs incurred differed from demand costs recovered was about \$2,100,000 (2% of annual demand costs) even though the weather varied from normal by 10% in the second year (See Exhibit A).

On May 16, 2003, CenterPoint Energy filed a request for a permanent variance to continue the program in Docket No. G-008/M-03-782. The Commission Order in this Docket authorized CenterPoint Energy to continue the program until its next general rate case. The Commission further ordered that CenterPoint Energy was to study the impact of the demand adjustment factor on demand costs in the class cost of service study (CCOSS) in the general rate filing. It was determined in the next general rate case review, Docket No. G008/GR-04-901 that the demand adjustment factor had no effect on its CCOSS and therefore CenterPoint Energy's request for a permanent variance could be authorized. The Department of Commerce objected to a "permanent" variance, stating that a rule change was required instead. In the Settlement Agreement, the parties agreed that CenterPoint Energy would withdraw its request for a permanent variance. CenterPoint Energy withdrew its request for a permanent variance in its rate case Compliance Filing, Docket No. G008/GR-04-901, filed on June 10, 2005.

On July 19, 2005, CenterPoint Energy filed a request for a continued variance in order to continue this project for an additional five more years, Docket No. G008/M-05-1196. On November 15, 2005 the Commission approved CenterPoint Energy's request but limited the variance to two years.

On July 31, 2007, CenterPoint Energy filed a request for a continued variance in order to continue this variance for three more years, Docket No. G008/M-07-1063. On December 24, 2007 the Commission approved CenterPoint Energy's request with modifications.

On August 2, 2010, CenterPoint Energy filed a request for a continued variance in order to continue this variance for three more years, Docket No. G008/M-10-857. On November 5, 2010 the Commission approved CenterPoint Energy's request.

On August 8, 2013, CenterPoint Energy filed a request for a continued variance in order to continue this variance for three more years, Docket No. G008/M-13-728. On December 11, 2013 the Commission approved CenterPoint Energy's request and ordered the following:

1. Granted CenterPoint the requested variance to Minn. Rule 7825.2700 subp. 5 for three years;
2. Allowed CenterPoint to continue calculating a monthly demand adjustment to the Company's demand-cost recovery rate as approved in Docket No. G008/M-07-1053, including the provision regarding capacity-release credits;
3. Allowed CenterPoint to remove the one-month lag in sales from its calculation;

4. Set the maximum monthly allowed demand adjustment at 25 percent; and
5. Required CenterPoint to continue to report the information pertaining to the operation of the program: including
 - Reporting in CenterPoint's monthly PGA filings the detailed calculations of the demand adjustment;
 - Reporting in CenterPoint's AAA Report a summary of the results of the over/(under) recovery with and without the proposed additional demand recovery adjustment. The summary will reflect the method of calculating this analysis as the Commission ordered in Docket No. G008/M-05-1196; and
 - Continue to report in CenterPoint's AAA Filing the results of the Company's monthly demand adjustment compared to a hypothetical demand-cost recovery rate that reflects a one-month lag.

CenterPoint Energy believes the Demand Smoothing calculations have been successful and is requesting a continued variance for three years. This will allow additional time for analysis and review of the program as well as providing the opportunity to make adjustments, if needed, to procedures which may further enhance the effectiveness of the program.

5. THE PROGRAM HAS SEEN SUCCESS

This program has been successful in providing a closer match between demand costs incurred and demand costs recovered from customers for the fifteen years of the program. The average difference between incurred and recovered demand costs, since the program began, has been 3.3% while prior to the program the average difference was 7.7% (See Exhibit A). Absent the demand adjustments authorized by this program the difference between demand costs paid to pipelines and other providers and demand costs recovered from firm customers would have been much larger. Based on an analysis developed by the Department of Commerce, eleven out of the fifteen years of this program were successful in providing a better match of demand cost recovery and demand costs incurred (See Exhibit B). Exhibit B summarizes the results with and without the demand adjustment for years one through fifteen of the program. The average variance from total demand costs has averaged around 3.7% with the program. Without the demand adjustments authorized by this program the variance is estimated to have been 7.3%. Since these adjustments were made during the true-up year a better match between the customers causing the mismatch and the recovery of costs occurred (versus waiting until the next year's true-up factor was implemented). In summary, the adjustments to demand cost recovery rates allowed in this program were successful in providing a better match of demand costs paid and demand costs recovered in billing rates and should be continued.

6. REVIEW OF CURRENT METHOD OF THE CALCULATION OF THE DEMAND COST RECOVERY RATE

Demand costs are, for the most part, fixed costs paid to interstate pipelines. Demand costs are recovered from customers volumetrically through the Purchased Gas Adjustment in billing rates. The timing and implementation of demand costs changes can and do affect the over/under recovery of demand costs in a gas year (July 1 through June 30). Most changes in annual demand costs occur at the start of the heating season. To the extent the implementation of changes in demand costs occur other than at the start of the gas year in July there will be a mismatch between annualized recovery rates and actual demand costs. However the largest driver of the over/under recovery of demand gas costs in a gas year is generally due to the variance in actual sales from projected weather-normalized sales. The demand cost recovery

rate is calculated based on weather-normalized sales, per Commission Rule, but is recovered based on actual sales. Therefore, the over-recovery or under-recovery of demand gas costs is due, primarily, to factors impacting the differences between actual and weather normalized sales during the gas year. In a colder than normal year, demand costs will be over-recovered and the opposite will occur in a warmer than normal year.

Exhibit A details a 25 year history of demand cost over/ (under) recovery. CenterPoint Energy is requesting a continuation of the variance to Minn. Rule 7825.2700, subp. 5, in order to continue to make adjustments, during the gas year, to the calculation of the demand cost recovery rates, which have proven to lessen the effect of weather conditions varying from normal during the current gas year. Exhibit A shows the success of this demand adjustment program. For example, the 2013-2014 year was approximately 20% colder than normal. Without the adjustment, the Company would have been over \$11 million over-recovered, or 15.4%, but with the adjustment, the Company over-recovered less than \$1 million, or 0.9%. The 2011-2012 year was approximately 21% warmer than normal. Without the adjustment, the Company would have been over \$11 million under-recovered, or approximately 15%, but with the adjustment, the Company was less than \$4.5 million under-recovered, or approximately 6%. The difference between demand costs incurred and demand costs recovered with the adjustment has averaged about \$2.6 million a year or 3.7% of total demand costs during the time this program has been in effect.

7. REQUEST FOR VARIANCE

Minn. Rules 7825.2390 through 7825.2920 describes the procedures for the automatic adjustment of charges for both gas and electric utilities. Minn. Rule 7825.2700 sets out the computations for determining the automatic adjustment for gas utilities. Basically, procedures have been developed which must be conformed to when calculating gas cost recovery rates. Minnesota's Automatic Adjustment of Charges Rules allow for the recovery of demand-delivered gas costs by multiplying a demand cost recovery rate (Based on weather normalized sales, Minn. Rule 7825.2700, subp. 5) by actual sales to customers. Any difference between demand costs recovered through billing rates and actual demand costs billed to CenterPoint Energy is put into the annual true-up of gas costs. This over or under recovery is recovered from, or returned to, customers over the next twelve months beginning September 1. Since demand costs are recovered on actual sales volumes, but the demand recovery rate is set based on weather normalized sales, any increase or decrease in sales from normal levels due to weather conditions varying from normal will cause an over-recovery or under-recovery of demand gas costs.

In this filing, CenterPoint Energy is requesting a variance from Minn. Rule 7825.2700 subp.5, Demand Adjustment. This Rule allows for changes in the demand rate billed to customers, as part of the purchased gas adjustment, when there are changes in demand-delivered gas costs. CenterPoint Energy proposes to make additional adjustments to the demand rate, during the gas year, for not only changes in demand delivered gas costs, but also for the over-recovery or under-recovery of demand costs due to actual sales variances from normal. The intent of these additional adjustments is to better match the payment to pipelines for demand costs with demand cost recovery from our customers in a gas year. CenterPoint Energy proposes to reduce the over-recovery or under-recovery of demand costs due to the weather varying from normal during the current gas year by making these additional adjustments to the demand rate during the months of October through May. Thus a more-timely match of demand costs and demand cost recovery will occur. Customers will receive credits or charges related to current year demand gas costs in the current year instead of some 12 to 14 months later through the true-up factor.

8. EFFECT ON CUSTOMERS (VOLATILITY OF MONTHLY BILLS)

As stated above, under this proposal customers' bills increase in warm weather years and decrease in cold weather years. However, this is strictly a timing issue. Due to the true-up of gas cost mechanism, customer bills are either increased or decreased in the subsequent year for these costs. Exhibit C¹ details the effects the demand cost adjustment had on average residential heating customers during the fifteen years of the program. In the first year of the program, 2000-2001, the average residential customer received a credit of \$8.48, which represented less than 1% of the annual residential bill. The largest monthly adjustment was a credit adjustment of \$5.34 which represented around 3% of the monthly bill. It should be noted that during this time period the weather was cold and billing rates were at a record high level. This adjustment reduced bills at a time that was most advantageous to customers. In the second year of the pilot program the annual adjustment was a charge of \$13.11 or about 2.3% of the annual bill. The largest monthly adjustment was \$3.98, which represented 4.7% of the monthly bill. Therefore, the demand adjustment has a mitigating impact on customer bills. The proposed adjustment better matches costs with cost causation.

Further, as stated in CenterPoint Energy's original request for the Pilot Program, over 98.5% of CenterPoint Energy's firm customers use natural gas for heating. Therefore the vast majority of firm customers are weather sensitive and an adjustment designed to limit the effects of extreme weather conditions on cost recovery is appropriate for this group of customers.

In its 2013 filing, the Company proposed to remove a one-month lag used in calculating the demand smoother. The Department of Commerce supported the removal of the one-month lag in sales from its calculations. The Department stated: "First, the Department considered the 2012-2013 gas year an outlier and removed it from CenterPoint's analysis in Exhibit D. The average of "% of Total Demand \$" for years 2007- 2008 through 2011-2012 is 4.3 percent for both the current method and with the one-month lag removed. This indicates that even though the 2012-2013 gas year would have been the first year of noticeable benefit, removing the one-month lag in sales would not have degraded the results of the demand cost adjustment calculation in the 2007-2008 through 2011-2012 gas years. Second, as discussed in CenterPoint's proposal, the Company would only be estimating a few days of sales (approximately the 28th of the month and later) in order to eliminate the one-month lag in the calculation. Even if CenterPoint's sales estimation is off significantly, the effect should be relatively minimal on the overall calculation. Finally, any differences between demand costs and the demand costs recovered will be trueed up in the AAA report. While there is continued risk of over- or under- recoveries being passed on to future ratepayers, there is no risk that CenterPoint will permanently over- or under-charge ratepayers. If removal of the one-month lag does not prove to be beneficial over the next three years of the requested variance, the Department may request that CenterPoint revert to using a one-month sales lag in its calculation."

To illustrate the difference between removing the one-month lag and using a one-month lag, the Company has continued to update Exhibit D. The absolute value average between demand costs incurred and demand costs recovered through the demand smoother with the one-month

¹ The Company notes that certain cells in Schedule C have been updated from the 2013 docket to more accurately depict the rates (such as the inclusion of interim rates), which were in effect in prior years. These revisions slightly adjusted the calculated total bill amount only and did not change the impact of the demand adjustment that was shown in prior filings.

lag removed over a 6-year period (i.e. 2007 to 2013) was 4.5% or \$3.3 million. The 6-year period from 2009-2015 was 3.8% or \$2.7 million.

9. COMPLIANCE WITH OTHER VARIANCES

Pursuant to Minnesota Rules Part 7829.1300, CenterPoint Energy provides the following information:

7829.3200 OTHER VARIANCES

Subp. 1

When granted.

The commission shall grant a variance to its rules when it determines that the following requirements are met:

A. Enforcement of the rule would impose an excessive burden upon the applicant or others affected by the rule.

Any over-collection or under-collection of gas costs should be recovered from, or returned to, as accurately as possible, those customers who caused the over collection-or under-collection of those costs. CenterPoint Energy's proposed additional demand adjustment will continue to more accurately match the over-recovery or under-recovery with those customers who caused the differences. Enforcement of the demand cost recovery rule imposes an excessive burden on CenterPoint Energy's customers, especially during times of colder than normal weather, since customers are over-paying CenterPoint Energy for the demand cost of gas and will not receive a credit for their over-payment during the current gas year. Enforcement of the rule also imposes an excessive burden on CenterPoint Energy, especially during times of warmer than normal weather, when large under-recoveries of demand costs occur. CenterPoint Energy will carry the under-recovery for more than a year before it is recovered from customers. In addition, new customers will pay higher surcharges for costs that they did not cause.

B. Granting the variance would not adversely affect the public interest; and

Granting of the proposed variance request would continue to more accurately match cost causation with cost recovery and therefore does not adversely affect the public interest. The proposal does not result in any increase in the overall recovery of demand costs. The proposed variance is in the public interest because it will significantly reduce over-recoveries or under-recoveries due to extreme weather conditions in a gas year.

C. Granting the variance would not conflict with standards imposed by law.

CenterPoint Energy is not aware of any laws that would be violated by granting this variance.

10. RATEPAYER BENEFIT

In Docket No.G-008/M-10-857, the Commission ordered CenterPoint Energy to include an analysis and explanation of the overall benefit from a ratepayer perspective with future filings. PUC staff questioned whether relatively small differences in customer's bills are great enough to warrant such a program.

Staff correctly points out that on an individual customer basis the monthly demand cost adjustment has not been very large. The largest monthly dollar amount added to or subtracted from an average residential customer has been \$5.34. As a percentage of the total monthly bill the largest percentage was 4.8% for the average residential customer's monthly bill. See Exhibit C, which provides monthly and annual data for an average residential customer for the fifteen years of this program. However, when looking in total for all firm customers, the amount can be large. For example, gas year 2011-2012 was very warm, almost 21% warmer than normal. Without the demand cost adjustment demand gas costs would have under-recovered by about \$11,300,000. However, with the demand cost adjustment in place the under-recovery was about \$4,500,000. This \$6,800,000 difference is large. It means that \$6,800,000 in costs were recovered from the current customers who were responsible for these costs instead of being deferred to next year's customers.

11. REPORTING AND EVALUATION REQUIREMENTS

In order to monitor and assess the continued effectiveness of the proposed variance, CenterPoint Energy proposes the following reporting and evaluation procedures. CenterPoint Energy has included in this filing a hypothetical calculation based on the current method which does not use a one-month lag approach. This allows for a continued analysis on which approach, one-month lag or no lag is the superior method. CenterPoint Energy will continue the same reporting requirements first approved in Docket No. G-008/M-07-1063.

- ❑ Include in CenterPoint Energy's monthly PGA filings the detailed calculations of the adjustment.
- ❑ As part of its Annual Automatic Adjustment Report, CenterPoint Energy will summarize the results of the over/ (under) recovery with and without the proposed additional demand recovery adjustment. Starting with the 2005-2006 True-up year, CenterPoint Energy changed the method of calculating this analysis as suggested by the Department and ordered in Docket No. G-008/M-05-1196.
- ❑ Continue to report in its Annual Automatic Adjustment Filing the results of the hypothetical monthly demand adjustment to the Company's demand cost recovery rate that has the one-month lag.

12. CONCLUSION

For all of the above reasons, CenterPoint Energy respectfully requests that the Commission issue an Order approving the request for an ongoing variance to Minnesota Rule 7825.2700, thereby allowing CenterPoint Energy to more accurately match the recovery of its demand costs with those customers who incurred the cost.

**STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

Beverly Jones Heydinger
Nancy Lange
Dan Lipschultz
Matthew Schuerger
John Tuma

Chair
Commissioner
Commissioner
Commissioner
Commissioner

MPUC Docket No.: G-008/M-16-____

In the Matter of the Petition of
CenterPoint Energy for Approval of
a Variance from the Automatic Adjustment
Adjustment Rules to the
Recovery of Demand Cost

**PETITION OF CENTERPOINT ENERGY
FOR APPROVAL OF A VARIANCE FROM
THE AUTOMATIC ADJUSTMENT
RULES RELATED TO
THE RECOVERY OF DEMAND COSTS**

SUMMARY OF FILING

This Petition requests Minnesota Public Utilities Commission approval of a continued variance from the Automatic Adjustment Rules, Minn. R. pt. 7825.2700, subp.5, related to the calculation of the Demand Cost of Gas adjustment. The variance is requested in order to continue to implement adjustments to the current PGA method of setting demand cost recovery rates which are designed to minimize the over-recovery or under-recovery of demand costs, during the gas year, due to increased or decreased sales resulting primarily from the weather conditions varying from normal.

We have electronically filed this document with the Commission, and copies have been served on the parties on the attached service list.

Exhibit A

CenterPoint Energy

History - Over/(Under) Collection of Demand Gas Costs

History of Demand Gas Cost Recovery prior to the Demand Cost Adjustment			
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<u>Gas Year</u>	(a) <u>Over/(Under) Recovery</u>	(b) <u>Percent of Total Demand \$</u>	(c) <u>Weather Colder/(Warmer) than Normal</u>
1999-2000	(\$14,374,742)	-12.5%	(14.8%)
1998-99	(\$10,506,868)	-9.1%	(14.0%)
1997-98	(\$9,781,514)	-8.3%	(13.4%)
1996-97	\$9,119,015	7.4%	7.0%
1995-96	\$14,254,715	10.8%	9.9%
1994-95	(\$6,695,584)	-4.7%	(7.8%)
1993-94	\$8,267,451	6.8%	6.9%
1992-93	(\$866,918)	-0.8%	0.3%
1991-92	(\$9,079,303)	-9.0%	(6.3%)
1990-91	(\$6,339,369)	-7.5%	(8.3%)
Average (Absolute Value)	\$8,928,548	7.7%	(d)

History of Demand Gas Cost Recovery since the Demand Cost Adjustment			
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<u>Gas Year</u>	<u>Over/(Under) Recovery</u>	<u>Percent of Total Demand \$</u>	<u>Weather Colder/(Warmer) than Normal</u>
2000-2001	(\$1,859,584)	-1.6%	4.8%
2001-2002	\$2,140,282	2.1%	(10.1%)
2002-2003	\$195,409	0.2%	0.7%
2003-2004	(\$1,167,912)	-1.0%	(3.0%)
2004-2005	(\$934,612)	-0.8%	(8.0%)
2005-2006	(\$535,041)	-0.5%	(12.6%)
2006-2007	\$7,779,868	7.2%	(7.6%)
2007-2008	\$3,035,825	3.6%	7.1%
2008-2009	\$2,917,800	4.4%	7.5%
2009-2010	(\$6,837,199)	-8.8%	(3.0%)
2010-2011	\$1,133,546	1.5%	5.7%
2011-2012	(\$4,239,257)	-5.7%	(20.6%)
2012-2013	\$7,115,206	9.7%	5.6%
2013-2014	(\$161,098)	-0.2%	19.7%
2014-2015	\$1,571,659 *	2.0%	5.0%
Average (Absolute Value)	\$2,774,953	3.3%	(d)

NOTES:

- a - Actual from True-Up filing
- b - (a) divided by (Demand + Propane Cost) in true-up filing
- c - From CenterPoint Energy's calendar Degree-Day files
- d - absolute value average
- * Filed September 1, 2015

Exhibit B

CenterPoint Energy

Summary: Analysis of demand costs over/(under) recovered with and without the demand cost adjustment mechanism, based on procedures approved in Docket No. G-008/M-05-1196 Docket No. G-008/M-07-1063 and Docket No. G-008/M-10-857.

Gas <u>Year</u>	With the Adjustment		Without the Adjustment	
	<u>Recovery</u> (a)	<u>% of Total Demand \$</u> (b)	<u>Recovery</u> (c)	<u>% of Total Demand \$</u> (d)
2000-2001	(\$2,099,237)	-1.8%	\$6,060,569	5.2%
2001-2002	\$2,369,992	2.3%	(\$9,835,529)	-9.6%
2002-2003	(\$67,596)	-0.1%	\$7,784,072	7.9%
2003-2004	(\$1,627,656)	-1.4%	(\$1,197,490)	-1.0%
2004-2005	(\$491,091)	-0.4%	(\$1,530,385)	-1.3%
2005-2006	(\$406,837)	-0.4%	(\$12,087,038)	-10.4%
2006-2007	\$7,519,994	12.4%	(\$286,342)	-0.3%
2007-2008	\$2,511,582	6.8%	\$1,322,689	5.2% partial year
2008-2009	\$3,098,947	4.7%	\$4,489,569	6.8%
2009-2010	(\$5,149,579)	-6.6%	(\$7,327,401)	-9.4%
2010-2011	\$1,164,918	1.5%	\$3,903,613	5.1% partial year
2011-2012	(\$4,482,056)	-6.0%	(\$11,272,158)	-15.1%
2012-2013	\$7,310,268	10.0%	\$5,025,956	6.9%
2013-2014	\$688,175	0.9%	\$11,295,219	15.4%
2014-2015	(\$285,002)	-0.4%	\$7,712,926	9.8%
Average (Absolute Value)	\$2,618,195	3.7%		7.3%

(a) - See Exhibit 3, column (h) in the Annual Automatic Adjustment Filings

(b) - See Exhibit 3, column (j) in the Annual Automatic Adjustment Filings

(c) - See Exhibit 3, column (g) in the Annual Automatic Adjustment Filings

(d) - See Exhibit 3, column (i) in the Annual Automatic Adjustment Filings

(e) - Average (Absolute Value) for all years displayed

Exhibit C

CenterPoint Energy

Effect on Customers: Year One

Residential Heating Customer

2000-01 Gas Year Data Colder than normal +5%

	Actual	Billing Rate	Customer	Demand	Customer	Change	Change
		pre-adj.			Bill with		
	Therms	\$/Therm	Bill	Adj.	Demand adj.		
2000 Jul.	23	\$0.68076	\$20.66	\$0.00000	\$20.66	\$0.00	0.0%
2000 Aug.	24	\$0.61174	\$19.68	\$0.00000	\$19.68	\$0.00	0.0%
2000 Sep.	29	\$0.69784	\$25.24	\$0.00000	\$25.24	\$0.00	0.0%
2000 Oct.	52	\$0.77218	\$45.15	\$0.00000	\$45.15	\$0.00	0.0%
2000 Nov.	138	\$0.73111	\$105.89	\$0.00052	\$105.96	\$0.07	0.1%
2000 Dec.	233	\$0.86178	\$205.79	\$0.00980	\$208.08	\$2.28	1.1%
2001 Jan.	181	\$1.27056	\$234.97	\$0.00041	\$235.05	\$0.07	0.0%
2001 Feb.	189	\$0.88854	\$172.93	-\$0.02826	\$167.59	-\$5.34	-3.1%
2001 Mar.	142	\$0.78431	\$116.37	-\$0.02682	\$112.56	-\$3.81	-3.3%
2001 Apr.	75	\$0.80215	\$65.16	-\$0.02826	\$63.04	-\$2.12	-3.3%
2001 May	38	\$0.73077	\$32.77	\$0.00946	\$33.13	\$0.36	1.1%
2001 Jun	<u>29</u>	\$0.61839	\$22.93	\$0.00000	<u>\$22.93</u>	<u>\$0.00</u>	<u>0.0%</u>
	1153		\$1,067.56		\$1,059.08	-\$8.48	-0.8%

Customer received a credit of \$8.48 in the current Gas Year which was less than 1% of the total Annual bill. The largest monthly effect was \$-5.34.

Effect on Customers: Year Two

Residential Heating Customer

2001-02 Gas Year Data Warmer than normal -10%

	Actual	Billing Rate	Customer	Demand	Customer	Change	Change
		pre-adj.			Bill with		
	Therms	\$/Therm	Bill	Adj.	Demand adj.		
2001 Jul.	22	\$0.57307	\$17.61	\$0.00000	\$17.61	\$0.00	0.0%
2001 Aug.	22	\$0.54938	\$17.09	\$0.00000	\$17.09	\$0.00	0.0%
2001 Sep.	28	\$0.45528	\$17.75	\$0.00000	\$17.75	\$0.00	0.0%
2001 Oct.	67	\$0.40627	\$32.22	\$0.00825	\$32.77	\$0.55	1.7%
2001 Nov.	80	\$0.56825	\$50.46	\$0.00422	\$50.80	\$0.34	0.7%
2001 Dec.	150	\$0.51106	\$81.66	-\$0.00457	\$80.97	-\$0.69	-0.8%
2002 Jan.	164	\$0.52559	\$91.20	\$0.01278	\$93.29	\$2.10	2.3%
2002 Feb.	133	\$0.47848	\$68.64	\$0.02502	\$71.97	\$3.33	4.8%
2002 Mar.	159	\$0.50495	\$85.29	\$0.02502	\$89.27	\$3.98	4.7%
2002 Apr.	79	\$0.58985	\$51.60	\$0.02502	\$53.57	\$1.98	3.8%
2002 May	62	\$0.53578	\$38.22	\$0.02460	\$39.74	\$1.53	4.0%
2002 Jun.	<u>26</u>	\$0.53719	\$18.97	\$0.00000	<u>\$18.97</u>	<u>\$0.00</u>	<u>0.0%</u>
	992		\$570.69		\$583.79	\$13.11	2.3%

Customer is charged \$13.11 in the current Gas Year which is about 2.3% of the total Annual bill. The largest monthly effect was \$3.98.

CenterPoint Energy

Effect on Customers: Year Three

Residential Heating Customer

2002-03 Gas Year Data Colder than normal 1%

	Actual	Billing Rate pre-adj.	Customer	Demand	Customer Bill with	Percentage	
	<u>Therms</u>	<u>\$/Therm</u>	<u>Bill</u>	<u>Adj.</u>	<u>Demand adj.</u>	<u>Change</u>	<u>Change</u>
2002 Jul.	21	\$0.53719	\$16.28	\$0.00000	\$16.28	\$0.00	0.0%
2002 Aug.	22	\$0.51228	\$16.27	\$0.00000	\$16.27	\$0.00	0.0%
2002 Sep.	29	\$0.55038	\$20.96	\$0.00000	\$20.96	\$0.00	0.0%
2002 Oct.	94	\$0.57470	\$59.02	\$0.00487	\$59.48	\$0.46	0.8%
2002 Nov.	135	\$0.65495	\$93.42	\$0.00301	\$93.82	\$0.41	0.4%
2002 Dec.	164	\$0.66055	\$113.33	-\$0.01893	\$110.23	-\$3.10	-2.7%
2003 Jan.	207	\$0.70113	\$150.13	-\$0.02535	\$144.89	-\$5.25	-3.5%
2003 Feb.	182	\$0.75369	\$142.17	-\$0.01307	\$139.79	-\$2.38	-1.7%
2003 Mar.	130	\$1.05342	\$141.94	\$0.00592	\$142.71	\$0.77	0.5%
2003 Apr.	72	\$0.74019	\$58.29	\$0.00775	\$58.85	\$0.56	1.0%
2003 May	39	\$0.72182	\$33.15	\$0.00643	\$33.40	\$0.25	0.8%
2003 Jun.	<u>25</u>	<u>\$0.80681</u>	<u>\$25.17</u>	<u>\$0.00000</u>	<u>\$25.17</u>	<u>\$0.00</u>	<u>0.0%</u>
	1120		\$870.15		\$861.86	-\$8.29	-1.0%

Customer received a credit of \$8.29 in the current Gas Year which was about 1% of the total Annual bill. The largest monthly effect was \$-5.25.

Effect on Customers: Year Four

Residential Heating Customer

2003-04 Gas Year Data Warmer than normal -3%

	Actual	Billing Rate pre-adj.	Customer	Demand	Customer Bill with	Percentage	
	<u>Therms</u>	<u>\$/Therm</u>	<u>Bill</u>	<u>Adj.</u>	<u>Demand adj.</u>	<u>Change</u>	<u>Change</u>
2003 Jul.	21	\$0.74716	\$20.69	\$0.00000	\$20.69	\$0.00	0.0%
2003 Aug.	23	\$0.70747	\$21.27	\$0.00000	\$21.27	\$0.00	0.0%
2003 Sep.	30	\$0.71804	\$26.54	\$0.00000	\$26.54	\$0.00	0.0%
2003 Oct.	58	\$0.68657	\$44.82	\$0.00000	\$44.82	\$0.00	0.0%
2003 Nov.	131	\$0.74067	\$102.03	-\$0.00022	\$102.00	-\$0.03	0.0%
2003 Dec.	161	\$0.79040	\$132.25	\$0.00713	\$133.40	\$1.15	0.9%
2004 Jan.	219	\$0.85580	\$192.42	-\$0.00056	\$192.30	-\$0.12	-0.1%
2004 Feb.	157	\$0.83913	\$136.74	\$0.00928	\$138.20	\$1.46	1.1%
2004 Mar.	117	\$0.77282	\$95.42	-\$0.01817	\$93.29	-\$2.13	-2.2%
2004 Apr.	63	\$0.77868	\$54.06	-\$0.02968	\$52.19	-\$1.87	-3.5%
2004 May	41	\$0.81486	\$38.41	\$0.02968	\$39.63	\$1.22	3.2%
2004 Jun.	<u>26</u>	<u>\$0.88064</u>	<u>\$27.90</u>	<u>\$0.00000</u>	<u>\$27.90</u>	<u>\$0.00</u>	<u>0.0%</u>
	1047		\$892.55		\$892.23	-\$0.33	0.0%

Customer received a credit of \$.33 in the current Gas Year which was about .0% of the total Annual bill. The largest monthly effect was \$ -2.13.

CenterPoint Energy

Effect on Customers: Year Five

Residential Heating Customer

2004-05 Gas Year Data Warmer than normal -8%

	Actual	Billing Rate pre-adj.	Customer	Demand	Customer Bill with	Percentage	
	<u>Therms</u>	<u>\$/Therm</u>	<u>Bill</u>	<u>Adj.</u>	<u>Demand adj.</u>	<u>Change</u>	<u>Change</u>
2004 Jul.	20	\$0.84305	\$21.86	\$0.00000	\$21.86	\$0.00	0.0%
2004 Aug.	28	\$0.82548	\$28.11	\$0.00000	\$28.11	\$0.00	0.0%
2004 Sep.	21	\$0.74483	\$20.64	\$0.00000	\$20.64	\$0.00	0.0%
2004 Oct.	61	\$0.76806	\$51.93	-\$0.00601	\$51.57	-\$0.37	-0.7%
2004 Nov.	100	\$1.00740	\$105.82	\$0.00362	\$106.18	\$0.36	0.3%
2004 Dec.	174	\$0.97631	\$174.96	\$0.01442	\$177.47	\$2.51	1.4%
2005 Jan.	199	\$0.90864	\$185.90	\$0.01787	\$189.46	\$3.56	1.9%
2005 Feb.	137	\$0.91059	\$129.83	-\$0.00696	\$128.88	-\$0.95	-0.7%
2005 Mar.	126	\$0.88115	\$116.11	-\$0.03178	\$112.10	-\$4.00	-3.4%
2005 Apr.	51	\$0.95338	\$53.70	-\$0.02440	\$52.46	-\$1.24	-2.3%
2005 May	48	\$0.93392	\$49.91	\$0.03145	\$51.42	\$1.51	3.0%
2005 Jun.	<u>23</u>	<u>\$0.85284</u>	<u>\$24.70</u>	<u>\$0.00000</u>	<u>\$24.70</u>	<u>\$0.00</u>	<u>0.0%</u>
	988		\$963.47		\$964.84	\$1.37	0.1%

Customer received a charge of \$1.37 in the current Gas Year which was about .1% of the total Annual bill. The largest monthly effect was \$-4.00.

Effect on Customers: Year Six

Residential Heating Customer

2005-06 Gas Year Data Warmer than normal -13%

	Actual	Billing Rate pre-adj.	Customer	Demand	Customer Bill with	Percentage	
	<u>Therms</u>	<u>\$/Therm</u>	<u>Bill</u>	<u>Adj.</u>	<u>Demand adj.</u>	<u>Change</u>	<u>Change</u>
2005 Jul.	21	\$0.91571	\$24.30	\$0.00000	\$24.30	\$0.00	0.0%
2005 Aug.	21	\$0.92743	\$25.98	\$0.00000	\$25.98	\$0.00	0.0%
2005 Sep.	21	\$1.16745	\$31.02	\$0.00000	\$31.02	\$0.00	0.0%
2005 Oct.	51	\$1.32834	\$74.25	\$0.00000	\$74.25	\$0.00	0.0%
2005 Nov.	101	\$1.39047	\$146.94	\$0.00000	\$146.94	\$0.00	0.0%
2005 Dec.	157	\$1.19160	\$193.58	\$0.00177	\$193.86	\$0.28	0.1%
2006 Jan.	134	\$1.23396	\$171.98	\$0.01403	\$173.86	\$1.88	1.1%
2006 Feb.	153	\$1.09142	\$173.62	\$0.02226	\$177.02	\$3.41	2.0%
2006 Mar.	110	\$0.99777	\$116.38	\$0.02982	\$119.66	\$3.28	2.8%
2006 Apr.	45	\$0.90057	\$47.16	\$0.02982	\$48.50	\$1.34	2.8%
2006 May	35	\$0.90399	\$38.27	\$0.02982	\$39.31	\$1.04	2.7%
2006 Jun.	<u>22</u>	<u>\$0.80958</u>	<u>\$24.44</u>	<u>\$0.00000</u>	<u>\$24.44</u>	<u>\$0.00</u>	<u>0.0%</u>
	871		\$1,067.90		\$1,079.13	\$11.23	1.1%

Customer received a charge of \$11.23 in the current Gas Year which was about 1.1% of the total Annual bill. The largest monthly effect was \$3.41.

Effect on Customers: Year Seven

Residential Heating Customer

2006-07 Gas Year Data Warmer than normal -7.6%

	Actual	Billing Rate pre-adj.	Customer	Demand	Customer Bill with	Percentage	
	<u>Therms</u>	<u>\$/Therm</u>	<u>Bill</u>	<u>Adj.</u>	<u>Demand adj.</u>	<u>Change</u>	<u>Change</u>
2006 Jul.	19	\$0.79353	\$21.58	\$0.00000	\$21.58	\$0.00	0.0%
2006 Aug.	20	\$0.89147	\$24.33	\$0.00000	\$24.33	\$0.00	0.0%
2006 Sep.	27	\$0.90227	\$30.86	\$0.00000	\$30.86	\$0.00	0.0%
2006 Oct.	70	\$0.66778	\$53.24	-\$0.00407	\$52.96	-\$0.28	-0.5%
2006 Nov.	96	\$1.01961	\$104.38	-\$0.00633	\$103.77	-\$0.61	-0.6%
2006 Dec.	132	\$1.09791	\$151.42	-\$0.01106	\$149.96	-\$1.46	-1.0%
2007 Jan.	172	\$1.05336	\$187.68	\$0.00726	\$188.93	\$1.25	0.7%
2007 Feb.	175	\$1.05557	\$191.22	\$0.02796	\$196.12	\$4.89	2.6%
2007 Mar.	98	\$1.03770	\$108.19	\$0.02796	\$110.93	\$2.74	2.5%
2007 Apr.	71	\$0.94486	\$73.59	\$0.00881	\$74.21	\$0.63	0.9%
2007 May	28	\$0.97881	\$33.91	\$0.00694	\$34.10	\$0.19	0.6%
2007 Jun.	<u>22</u>	<u>\$0.98959</u>	<u>\$28.27</u>	<u>\$0.00000</u>	<u>\$28.27</u>	<u>\$0.00</u>	<u>0.0%</u>
	930		\$1,008.68		\$1,016.03	\$7.35	0.7%

Customer received a charge of \$7.35 in the current Gas Year which was about .7% of the total Annual bill. The largest monthly effect was \$4.89.

Effect on Customers: Year Eight

Residential Heating Customer

2007-08 Gas Year Data Colder than normal 7.1%

	Actual	Billing Rate pre-adj.	Customer	Demand	Customer Bill with	Percentage	
	<u>Therms</u>	<u>\$/Therm</u>	<u>Bill</u>	<u>Adj.</u>	<u>Demand adj.</u>	<u>Change</u>	<u>Change</u>
2007 Jul.	20	\$0.91383	\$24.78	\$0.00000	\$24.78	\$0.00	0.0%
2007 Aug.	20	\$0.82309	\$22.96	\$0.00000	\$22.96	\$0.00	0.0%
2007 Sep.	22	\$0.77668	\$23.59	\$0.00000	\$23.59	\$0.00	0.0%
2007 Oct.	40	\$0.86034	\$40.91	\$0.00000	\$40.91	\$0.00	0.0%
2007 Nov.	111	\$0.96327	\$113.42	\$0.00000	\$113.42	\$0.00	0.0%
2007 Dec.	170	\$1.02844	\$181.33	\$0.00000	\$181.33	\$0.00	0.0%
2008 Jan.	215	\$0.98808	\$218.94	-\$0.00366	\$218.15	-\$0.79	-0.4%
2008 Feb.	167	\$1.05384	\$182.49	\$0.01120	\$184.36	\$1.87	1.0%
2008 Mar.	131	\$1.11136	\$152.09	\$0.01629	\$154.22	\$2.13	1.4%
2008 Apr.	75	\$1.10383	\$89.29	-\$0.01901	\$87.86	-\$1.43	-1.6%
2008 May	40	\$1.23511	\$55.90	-\$0.01960	\$55.12	-\$0.78	-1.4%
2008 Jun.	<u>22</u>	<u>\$1.26694</u>	<u>\$34.37</u>	<u>\$0.00000</u>	<u>\$34.37</u>	<u>\$0.00</u>	<u>0.0%</u>
	1033		\$1,140.08		\$1,141.09	\$1.01	0.1%

Customer received a charge of \$1.01 in the current Gas Year which was about .1% of the total Annual bill. The largest monthly effect was \$2.13.
 Partial year, Continued variance not approved until Dec. 27, 2007.

Effect on Customers: Year Nine

Residential Heating Customer

2008-09 Gas Year Data Colder than normal 7.5%

	Actual	Billing Rate pre-adj.	Customer	Demand	Customer Bill with	Change	Percentage
	<u>Therms</u>	<u>\$/Therm</u>	<u>Bill</u>	<u>Adj.</u>	<u>Demand adj.</u>	<u>Change</u>	<u>Change</u>
2008 Jul.	20	\$1.41017	\$34.70	\$0.00000	\$34.70	\$0.00	0.0%
2008 Aug.	19	\$1.03246	\$26.12	\$0.00000	\$26.12	\$0.00	0.0%
2008 Sep.	21	\$0.95123	\$26.48	\$0.00000	\$26.48	\$0.00	0.0%
2008 Oct.	46	\$0.81645	\$44.06	-\$0.00572	\$43.79	-\$0.26	-0.6%
2008 Nov.	98	\$0.85096	\$89.89	\$0.00409	\$90.29	\$0.40	0.4%
2008 Dec.	180	\$0.92559	\$173.11	\$0.00344	\$173.73	\$0.62	0.4%
Interim Rat not include 2009 Jan.	215	\$0.92396	\$205.37	\$0.01047	\$207.62	\$2.25	1.1%
2009 Feb.	138	\$0.81883	\$119.72	-\$0.01068	\$118.24	-\$1.47	-1.2%
2009 Mar.	122	\$0.75889	\$99.30	-\$0.01634	\$97.31	-\$1.99	-2.0%
2009 Apr.	63	\$0.65080	\$47.72	-\$0.01634	\$46.69	-\$1.03	-2.2%
2009 May	31	\$0.55247	\$23.85	\$0.00920	\$24.13	\$0.29	1.2%
2009 Jun.	<u>25</u>	<u>\$0.55332</u>	<u>\$20.55</u>	<u>\$0.00000</u>	<u>\$20.55</u>	<u>\$0.00</u>	<u>0.0%</u>
	978		\$910.87		\$909.66	-\$1.20	-0.1%

Customer received a credit of \$1.20 in the current Gas Year which was about- .1% of the total Annual bill. The largest monthly effect was \$2.25.

Effect on Customers: Year Ten

Residential Heating Customer

2009-10 Gas Year Data Warmer than normal -3%

	Actual	Billing Rate pre-adj.	Customer	Demand	Customer Bill with	Change	Percentage
	<u>Therms</u>	<u>\$/Therm</u>	<u>Bill</u>	<u>Adj.</u>	<u>Demand adj.</u>	<u>Change</u>	<u>Change</u>
Interim Rat not include 2009 Jul.	20	\$0.59884	\$18.70	\$0.00000	\$18.70	\$0.00	0.0%
2009 Aug.	20	\$0.59473	\$18.61	\$0.00000	\$18.61	\$0.00	0.0%
2009 Sep.	21	\$0.51766	\$17.59	\$0.00000	\$17.59	\$0.00	0.0%
2009 Oct.	72	\$0.63949	\$52.76	-\$0.00668	\$52.28	-\$0.48	-0.9%
2009 Nov.	72	\$0.76231	\$61.61	\$0.00243	\$61.78	\$0.17	0.3%
2009 Dec.	170	\$0.76337	\$136.49	\$0.00843	\$137.93	\$1.43	1.0%
2010 Jan.	189	\$0.86375	\$169.97	\$0.01268	\$172.37	\$2.40	1.4%
2010 Feb.	141	\$0.83661	\$124.68	\$0.00126	\$124.86	\$0.18	0.1%
2010 Mar.	83	\$0.76684	\$70.37	-\$0.01890	\$68.80	-\$1.57	-2.2%
2010 Apr.	39	\$0.65244	\$32.17	-\$0.01890	\$31.43	-\$0.74	-2.3%
2010 May	37	\$0.65707	\$31.03	\$0.01890	\$31.73	\$0.70	2.3%
2010 Jun.	<u>22</u>	<u>\$0.65825</u>	<u>\$21.20</u>	<u>\$0.00000</u>	<u>\$21.20</u>	<u>\$0.00</u>	<u>0.0%</u>
	886		\$755.18		\$757.28	\$2.09	0.3%

Customer received a charge of \$2.09 in the current Gas Year which was about .3% of the total Annual bill. The largest monthly effect was \$2.40.

Effect on Customers: Year Eleven

Residential Heating Customer

2010-11 Gas Year Data Colder than normal 5.7%

	Actual	Billing Rate pre-adj.	Customer	Demand	Customer Bill with	Percentage	
	<u>Therms</u>	<u>\$/Therm</u>	<u>Bill</u>	<u>Adj.</u>	<u>Demand adj.</u>	<u>Change</u>	<u>Change</u>
2010 Jul.	17	\$0.71683	\$20.19	\$0.00000	\$20.19	\$0.00	0.0%
2010 Aug.	17	\$0.69296	\$19.78	\$0.00000	\$19.78	\$0.00	0.0%
2010 Sep.	23	\$0.63513	\$22.61	\$0.00000	\$22.61	\$0.00	0.0%
2010 Oct.	41	\$0.68254	\$35.98	\$0.00000	\$35.98	\$0.00	0.0%
2010 Nov.	98	\$0.66847	\$73.51	\$0.00000	\$73.51	\$0.00	0.0%
2010 Dec.	173	\$0.75600	\$138.79	\$0.00578	\$139.79	\$1.00	0.7%
2011 Jan.	189	\$0.74532	\$148.87	\$0.00485	\$149.78	\$0.92	0.6%
2011 Feb.	144	\$0.76384	\$117.99	-\$0.00909	\$116.68	-\$1.31	-1.1%
2011 Mar.	122	\$0.71158	\$94.81	-\$0.01949	\$92.43	-\$2.38	-2.5%
2011 Apr.	64	\$0.74292	\$55.55	-\$0.01947	\$54.30	-\$1.25	-2.2%
2011 May	39	\$0.72868	\$36.42	\$0.01693	\$37.08	\$0.66	1.8%
2011 Jun.	<u>22</u>	<u>\$0.72829</u>	<u>\$24.02</u>	<u>\$0.00000</u>	<u>\$24.02</u>	<u>\$0.00</u>	<u>0.0%</u>
	949		\$788.52		\$786.16	-\$2.36	-0.3%

Customer received a credit of -\$2.36 in the current Gas Year which was about .3% of the total Annual bill. The largest monthly effect was -\$2.38.

Partial year, Continued variance not approved until Nov. 5, 2010.

Effect on Customers: Year Twelve

Residential Heating Customer

2011-12 Gas Year Data Warmer than normal -20.6%

	Actual	Billing Rate pre-adj.	Customer	Demand	Customer Bill with	Percentage	
	<u>Therms</u>	<u>\$/Therm</u>	<u>Bill</u>	<u>Adj.</u>	<u>Demand adj.</u>	<u>Change</u>	<u>Change</u>
2011 Jul.	18	\$0.72224	\$21.00	\$0.00000	\$21.00	\$0.00	0.0%
2011 Aug.	18	\$0.73066	\$21.15	\$0.00000	\$21.15	\$0.00	0.0%
2011 Sep.	24	\$0.66929	\$24.06	\$0.00000	\$24.06	\$0.00	0.0%
2011 Oct.	41	\$0.66172	\$35.13	-\$0.00972	\$34.73	-\$0.40	-1.1%
2011 Nov.	93	\$0.66983	\$70.29	-\$0.00258	\$70.05	-\$0.24	-0.3%
2011 Dec.	133	\$0.65925	\$95.68	\$0.00698	\$96.61	\$0.93	1.0%
2012 Jan.	149	\$0.63513	\$102.63	\$0.00977	\$104.09	\$1.46	1.4%
2012 Feb.	124	\$0.60124	\$82.55	\$0.01535	\$84.46	\$1.90	2.3%
2012 Mar.	61	\$0.60010	\$44.61	\$0.01928	\$45.78	\$1.18	2.6%
2012 Apr.	46	\$0.49739	\$30.88	\$0.01871	\$31.74	\$0.86	2.8%
2012 May	23	\$0.46180	\$18.62	\$0.01870	\$19.05	\$0.43	2.3%
2012 Jun.	<u>20</u>	<u>\$0.52622</u>	<u>\$18.52</u>	<u>\$0.00000</u>	<u>\$18.52</u>	<u>\$0.00</u>	<u>0.0%</u>
	750		\$565.14		\$571.26	\$6.12	1.1%

Customer received a charge of \$6.12 in the current Gas Year which was about 1.1% of the total Annual bill. The largest monthly effect was \$1.90.

Effect on Customers: Year Thirteen

Residential Heating Customer

2012-13 Gas Year Data Colder than normal +5.6%

	Actual	Billing Rate pre-adj.	Customer	Demand	Customer Bill with	Change	Percentage
	Therms	\$/Therm	Bill	Adj.	Demand adj.	Change	Change
2012 Jul.	16	\$0.54080	\$16.65	\$0.00000	\$16.65	\$0.00	0.0%
2012 Aug.	18	\$0.58080	\$18.45	\$0.00000	\$18.45	\$0.00	0.0%
2012 Sep.	21	\$0.55035	\$19.56	\$0.00000	\$19.56	\$0.00	0.0%
2012 Oct.	59	\$0.58727	\$42.65	-\$0.00837	\$42.16	-\$0.49	-1.2%
2012 Nov.	94	\$0.64463	\$68.60	-\$0.00090	\$68.51	-\$0.08	-0.1%
2012 Dec.	144	\$0.66634	\$103.95	-\$0.00099	\$103.81	-\$0.14	-0.1%
2013 Jan.	178	\$0.63738	\$121.45	\$0.00160	\$121.74	\$0.28	0.2%
2013 Feb.	141	\$0.63586	\$97.66	\$0.01354	\$99.57	\$1.91	2.0%
2013 Mar.	127	\$0.64585	\$90.02	\$0.01874	\$92.40	\$2.38	2.6%
2013 Apr.	90	\$0.69079	\$70.17	-\$0.01376	\$68.93	-\$1.24	-1.8%
2013 May	32	\$0.71173	\$30.78	-\$0.01870	\$30.18	-\$0.60	-1.9%
2013 Jun.	<u>21</u>	<u>\$0.70975</u>	<u>\$22.90</u>	<u>\$0.00000</u>	<u>\$22.90</u>	<u>\$0.00</u>	<u>0.0%</u>
	941		\$702.85		\$704.86	\$2.02	0.3%

Customer received a charge of \$2.02 in the current Gas Year which was about 0.3% of the total Annual bill. The largest monthly effect was \$2.38.

Effect on Customers: Year Fourteen

Residential Heating Customer

2013-14 Gas Year Data Colder than normal +19.7% (10 year weather)

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Actual	Billing Rate pre-adj.	Customer	Demand	Customer Bill with	Change	Percentage
	Therms	\$/Therm	Bill	Adj.	Demand adj.	Change	Change
2013 Jul.	18.2	\$0.66368	\$20.08	\$0.00000	\$20.08	\$0.00	0.0%
2013 Aug.	17.1	\$0.63913	\$18.93	\$0.00000	\$18.93	\$0.00	0.0%
2013 Sep.	20.5	\$0.63258	\$20.97	\$0.00000	\$20.97	\$0.00	0.0%
2013 Oct.	52.3	\$0.63650	\$41.29	\$0.00000	\$41.29	\$0.00	0.0% (1)
2013 Nov.	113.8	\$0.65017	\$81.99	\$0.00000	\$81.99	\$0.00	0.0% (1)
2013 Dec.	195.7	\$0.66237	\$137.63	\$0.00000	\$137.63	\$0.00	0.0% (1)
2014 Jan.	209.4	\$0.72646	\$160.12	-\$0.01820	\$156.31	-\$3.81	-2.4%
2014 Feb.	173.7	\$0.80494	\$147.82	-\$0.01244	\$145.66	-\$2.16	-1.5%
2014 Mar.	132.4	\$1.12015	\$156.31	-\$0.01691	\$154.07	-\$2.24	-1.4%
2014 Apr.	68.6	\$0.83160	\$65.05	-\$0.01664	\$63.91	-\$1.14	-1.8%
2014 May	40.4	\$0.70485	\$36.48	-\$0.01656	\$35.81	-\$0.67	-1.8%
2014 Jun.	<u>14.1</u>	<u>\$0.72192</u>	<u>\$18.18</u>	<u>\$0.00000</u>	<u>\$18.18</u>	<u>\$0.00</u>	<u>0.0%</u>
	1056.2		\$904.83		\$894.81	-\$10.02	-1.1%

Customer received a credit of -\$10.02 in the current Gas Year which was about -1.1% of the total Annual bill. The largest monthly effect was \$3.81.

Partial year, Continued variance not approved until Dec 11, 2013

(1) Demand Smoother was not yet approved

(a) = Average Use per customer

(b) = (Residential rate per therm) + (d)

(c) = ((a) x (b)) + Basic Charge

(d) = (Demand adjustment in Company's monthly Purchased Gas Adjustment filings on Schedule D)

(e) = (c) + ((a) x (d))

(f) = (e) - (c)

(g) = (f) / (c)

Effect on Customers: Year Fifteen

Residential Heating Customer

2014-15 Gas Year Data	Colder than normal +5% (10 year weather)						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Actual	Billing Rate pre-adj.	Customer Bill	Demand Adj.	Customer Bill with Demand adj.	Change	Percentage Change
	<u>Therms</u>	<u>\$/Therm</u>					
2014 Jul.	18.3	\$0.75905	\$22.28	\$0.00000	\$22.28	\$0.00	0.0%
2014 Aug.	17.9	\$0.67561	\$20.48	\$0.00000	\$20.48	\$0.00	0.0%
2014 Sep.	22	\$0.73343	\$24.53	\$0.00000	\$24.53	\$0.00	0.0%
2014 Oct.	54.1	\$0.75582	\$49.28	\$0.00341	\$49.46	\$0.18	0.4%
2014 Nov.	133.6	\$0.77704	\$112.20	\$0.00815	\$113.29	\$1.09	1.0%
2014 Dec.	145.1	\$0.81401	\$126.11	-\$0.00875	\$124.84	-\$1.27	-1.0%
2015 Jan.	168.2	\$0.74732	\$133.70	-\$0.02074	\$130.21	-\$3.49	-2.6%
2015 Feb.	160.1	\$0.71095	\$121.82	-\$0.00380	\$121.21	-\$0.61	-0.5%
2015 Mar.	107.4	\$0.76270	\$89.91	-\$0.02073	\$87.69	-\$2.23	-2.5%
2015 Apr.	51.4	\$0.62880	\$40.32	\$0.01357	\$41.02	\$0.70	1.7%
2015 May	27.1	\$0.56893	\$23.42	\$0.02071	\$23.98	\$0.56	2.4%
2015 Jun.	<u>18.6</u>	\$0.61167	\$19.38	\$0.00000	\$19.38	<u>\$0.00</u>	0.0%
	923.8		\$783.44		\$778.38	-\$5.06	-1.1%

Customer received a credit of -\$5.06 in the current Gas Year which was about -1.2% of the total Annual bill. The largest monthly effect was -\$3.49.

(a) = Average Use per customer

(b) = (Residential rate per therm) + (d)

(c) = ((a) x (b)) + Basic Charge

(d) = (Demand adjustment in Company's monthly Purchased Gas Adjustment filings on Schedule D)

(e) = (c) + ((a) x (d))

(f) = (e) - (c)

(g) = (f) / (c)

Exhibit D

CenterPoint Energy- ONE MONTH LAG REMOVED

Summary: Comparison of results using the one-month lag removed and the current demand cost adjustment mechanism, based on procedures approved in Docket No. G-008/M-05-1196

Gas	One Month Lag Removed		Current Adjustment	
	(a) Recovery	(b) % of Total	(c) Recovery	(e) % of Total
<u>Year</u>	<u>Over/(under)</u>	<u>Demand \$</u>	<u>Over/(under)</u>	<u>Demand \$</u>
2007-2008	\$939,032	1.1%	\$2,511,582	2.9% partial year
2008-2009	\$3,873,820	5.8%	\$3,098,947	4.7%
2009-2010	(\$4,394,252)	-5.7%	(\$5,149,579)	-6.6%
2010-2011	\$2,306,874	3.0%	\$1,164,918	1.5% partial year
2011-2012	(\$4,568,677)	-6.1%	(\$4,482,056)	-6.0%
2012-2013	\$3,954,396	5.4%	\$7,310,268	10.0%
2013-2014	(\$149,278)	-0.2%	\$688,175	0.9%
2014-2015	\$1,882,416	2.4%	(\$285,002)	-0.4%
Average (Absolute Value)	Last 8 year avg.	3.7%		4.1%

(a) - See Exhibit 4, column (h) in the Annual Automatic Adjustment Filings

(b) - See Exhibit 4, column (j) in the Annual Automatic Adjustment Filings

(c) - See Exhibit 3, column (g) in the Annual Automatic Adjustment Filings or Exhibit B, column (a) in this filing

(d) - See Exhibit 3, column (i) in the Annual Automatic Adjustment Filings or Exhibit B, column (b) in this filing

(e) - Average (Absolute Value) for all years displayed

Notes: 2007-2008 was a partial year. Approval to continue the variance not approved until 12/24/2007.

2010-2011 was a partial year. Approval to continue the variance not approved until 11/5/2010.

Data is taken from analyses provided in the AAA reports. For example, the 2011-2012 data is from Exhibit 3 and Exhibit 4 in CenterPoint Energy's AAA report, columns (h) and (j).

CenterPoint Energy General Service List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
David	Aafedt	daafedt@winthrop.com	Winthrop & Weinstine, P.A.	Suite 3500, 225 South Sixth Street Minneapolis, MN 554024629	Electronic Service	No	GEN_SL_CenterPoint Energy_General Service List
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	No	GEN_SL_CenterPoint Energy_General Service List
James J.	Bertrand	james.bertrand@stinson.com	Stinson Leonard Street LLP	150 South Fifth Street, Suite 2300 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_CenterPoint Energy_General Service List
Brenda A.	Bjorklund	brenda.bjorklund@centerpointenergy.com	CenterPoint Energy	800 LaSalle Ave FL 14 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_CenterPoint Energy_General Service List
Jeffrey A.	Daugherty	jeffrey.daugherty@centerpointenergy.com	CenterPoint Energy	800 LaSalle Ave Minneapolis, MN 55402	Electronic Service	No	GEN_SL_CenterPoint Energy_General Service List
Ian	Dobson	ian.dobson@ag.state.mn.us	Office of the Attorney General-RUD	Antitrust and Utilities Division 445 Minnesota Street, 1400 BRM Tower St. Paul, MN 55101	Electronic Service	No	GEN_SL_CenterPoint Energy_General Service List
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	No	GEN_SL_CenterPoint Energy_General Service List
Edward	Garvey	garveyed@aol.com	Residence	32 Lawton St Saint Paul, MN 55102	Electronic Service	No	GEN_SL_CenterPoint Energy_General Service List
Robert	Harding	robert.harding@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 55101	Electronic Service	No	GEN_SL_CenterPoint Energy_General Service List
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	No	GEN_SL_CenterPoint Energy_General Service List

CenterPoint Energy General Service List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	GEN_SL_CenterPoint Energy_General Service List
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	GEN_SL_CenterPoint Energy_General Service List
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_CenterPoint Energy_General Service List
Samantha	Norris	samanthanorris@alliantenergy.com	Interstate Power and Light Company	200 1st Street SE PO Box 351 Cedar Rapids, IA 524060351	Electronic Service	No	GEN_SL_CenterPoint Energy_General Service List
Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates	Ste 122 9100 W Bloomington Frwy Bloomington, MN 55431	Electronic Service	No	GEN_SL_CenterPoint Energy_General Service List
Peggy	Sorum	peggy.sorum@centerpointenergy.com	CenterPoint Energy	800 LaSalle Avenue PO Box 59038 Minneapolis, MN 554590038	Electronic Service	No	GEN_SL_CenterPoint Energy_General Service List
James M.	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	470 U.S. Bank Plaza 200 South Sixth Street Minneapolis, MN 55402	Electronic Service	No	GEN_SL_CenterPoint Energy_General Service List
Eric	Swanson	eswanson@winthrop.com	Winthrop Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	GEN_SL_CenterPoint Energy_General Service List
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	No	GEN_SL_CenterPoint Energy_General Service List

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First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
David	Aafedt	daafedt@winthrop.com	Winthrop & Weinstine, P.A.	Suite 3500, 225 South Sixth Street Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_13-728_M-13-728
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_13-728_M-13-728
James J.	Bertrand	james.bertrand@stinson.com	Stinson Leonard Street LLP	150 South Fifth Street, Suite 2300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_13-728_M-13-728
Brenda A.	Bjorklund	brenda.bjorklund@centerpointenergy.com	CenterPoint Energy	800 LaSalle Ave FL 14 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_13-728_M-13-728
Jeffrey A.	Daugherty	jeffrey.daugherty@centerpointenergy.com	CenterPoint Energy	800 LaSalle Ave Minneapolis, MN 55402	Electronic Service	No	OFF_SL_13-728_M-13-728
Ian	Dobson	ian.dobson@ag.state.mn.us	Office of the Attorney General-RUD	Antitrust and Utilities Division 445 Minnesota Street, BRM Tower St. Paul, MN 55101	Electronic Service	No	OFF_SL_13-728_M-13-728
Marie	Doyle	marie.doyle@centerpointenergy.com	CenterPoint Energy	800 LaSalle Avenue P O Box 59038 Minneapolis, MN 554590038	Electronic Service	No	OFF_SL_13-728_M-13-728
Emma	Fazio	emma.fazio@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_13-728_M-13-728
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_13-728_M-13-728
Edward	Garvey	garveyed@aol.com	Residence	32 Lawton St Saint Paul, MN 55102	Electronic Service	No	OFF_SL_13-728_M-13-728

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Robert	Harding	robert.harding@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 55101	Electronic Service	No	OFF_SL_13-728_M-13-728
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_13-728_M-13-728
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	OFF_SL_13-728_M-13-728
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	OFF_SL_13-728_M-13-728
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_13-728_M-13-728
Samantha	Norris	samanthanorris@alliantenergy.com	Interstate Power and Light Company	200 1st Street SE PO Box 351 Cedar Rapids, IA 524060351	Electronic Service	No	OFF_SL_13-728_M-13-728
Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates	Ste 122 9100 W Bloomington Fwy Bloomington, MN 55431	Electronic Service	No	OFF_SL_13-728_M-13-728
Peggy	Sorum	peggy.sorum@centerpointenergy.com	CenterPoint Energy	800 LaSalle Avenue PO Box 59038 Minneapolis, MN 554590038	Electronic Service	No	OFF_SL_13-728_M-13-728
James M.	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	470 U.S. Bank Plaza 200 South Sixth Street Minneapolis, MN 55402	Electronic Service	No	OFF_SL_13-728_M-13-728
Eric	Swanson	eswanson@winthrop.com	Winthrop Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_13-728_M-13-728

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Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_13-728_M-13-728